

Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
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CAB:JDEEGAN
CAB:RMILLER

-----087825 080112Z /12

P 072243Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY WARSAW PRIORITY

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E.O. 11652: N/A

TAGS: EAIR, PL, US

SUBJECT: CIVAIR - LOW AIR FARES AND CHARTERS

REF: (A) WARSAW 8683, (B) STATE 264671

1. IT APPEARS THAT POLISH AVIATION POLICY IS INCREASINGLY
FOCUSING ON DEVELOPING LOT'S SCHEDULED SERVICES TO US AND
ON RESTRICTING CHARTER FLIGHTS OF US AIRLINES. POLES
HAVE TAKEN NO STEPS TOWARD POSSIBLE LOOSENING UPON
CHARTERS, AS WE ENCOURAGED THEM TO DO IN CONSULTATIONS. IN
FACT, THEY RECENTLY DISAPPROVED WITHOUT QUALIFICATION A
PAN AM APPLICATION TO OPERATE AN ABC CHARTER PROGRAM OF
SIXTY-TWO FLIGHTS BETWEEN US POINTS AND POLAND NEXT YEAR ON
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GROUND THAT POLAND'S POLICY IS NOT TO ACCEPT ADVANCE BOOK-
ING CHARTERS. AT SAME TIME, LOT WANTS TO INTRODUCE SUPER
APEX FARE WHICH IS COMPETITIVE WITH ABC CHARTERS AND WHICH
MAY, IN FACT, BE PREDATORY.

2. USG SUPPORTS LOW AIR FARES, SUCH AS SUPER APEX AND CON-
TINUES TO BE WILLING TO ALLOW THEM ON EXPERIMENTAL BASIS

PURSUANT TO AD HOC AGREEMENT AS SET FORTH STATE 264671. HOWEVER, POLISH RESPONSE REPORTED WARSAW 8683 IS NOT ONLY A NON-RESPONSE TO US PROPOSAL FOR AN AD HOC AGREEMENT (SEE PARA 3 BELOW) BUT ALSO IMPLIES THAT APPROVAL OF

SUPER APEX FARES SHOULD BE ACCOMPANIED BY AN AGREEMENT TO LIMIT CHARTER FLIGHTS. WE DRAW THIS LATTER INFERENCE FROM PARA 4 WARSAW 8683 AND FROM POSITION TAKEN BY POLES DURING SEPTEMBER CONSULTATIONS. USG IS NOT ABOUT TO MAKE SUCH A DEAL. ON THE CONTRARY, WHILE WE WILL ALLOW SUPER APEX ON EXPERIMENTAL BASIS IF AD HOC AGREEMENT CONCLUDED, WE SHOULD PUT POLES ON NOTICE THAT IF THEY CONTINUE TO RESTRICT CHARTERS US LIKELY TO REFUSE TO ALLOW SUPER APEX TO CONTINUE AFTER MARCH 31. THUS POLES WILL ACHIEVE ONLY A SHORT-TERM GAIN FROM OFFERING SUPER APEX IF THEY DO NOT CHANGE THEIR CHARTER POLICY.

3. GOP NOTE IN WARSAW 8683 IS NON-RESPONSE TO US PROPOSAL BECAUSE IT CONTAINS EXTRANEIOUS COMMENT AND ASSUMPTIONS WHICH DO NOT FOLLOW FROM THE US NOTE. MOREOVER, NOTE CONTAINS A FACTUAL DISCREPANCY IN REFERRING TO 45 DAYS ADVANCE NOTICE FOR CANCELLATION. US NOTE REFERRED TO SIX WEEKS ADVANCE NOTICE.

4. IF POLES ARE PREPARED TO NEGOTIATE AN AGREEMENT ACCEPTING A LIBERAL CHARTER ENVIRONMENT, WE WOULD BE READY LIMITED OFFICIAL USE

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TO RESUME CONSULTATIONS FOR THIS PURPOSE, BUT WE ARE NOT PREPARED TO CONSULT IF THE POLISH OBJECTIVE IS TO REACH AGREEMENT RESTRICTING CHARTERS. IN ANY EVENT, WE COULD NOT SCHEDULE TALKS DURING DECEMBER IN WARSAW.

. IN LIGHT FOREGOING, REQUEST EMBASSY RESPOND TO POLES ALONG FOLLOWING LINES, DRAWING ON PREVIOUS PARAS AS NECESSARY. WE SUGGEST RESPONSE BE ORAL:

A. IN ORDER ALLOW LOT'S SUPER APEX FARE INTO EFFECT, WE MUST HAVE AN UNQUALIFIED ACCEPTANCE OF US NOTE (STATE 264671). HOWEVER, WE ARE WILLING TO HAVE THE SAME CONDITIONS APPLY TO PAN AM'S FARE FILING. THIS CAN BE DONE BY AMENDING FIRST SENTENCE OF US NOTE TO READ: "I HAVE THE HONOR TO REFER TO TARIFF FILINGS MADE BY LOT AND PAN AM FOR VARIOUS LOW FARE ETC." AND BY MENTIONING BOTH LOT AND PAN AM IN SIXTH SENTENCE.

B. GOP SHOULD BE AWARE THAT USG LIKELY TO INVOKE AD HOC AGREEMENT TO SUSPEND LOT'S SUPER APEX FARE IF POLAND CONTINUES ITS RESTRICTIVE CHARTER POLICY. THUS LOT COULD ACHIEVE ONLY SHORT TERM GAIN UNLESS POLAND WILLING LIBERALIZE CHARTER ENVIRONMENT.

C. POLISH ACTION DISAPPROVING PAN AM'S CHARTER PROGRAM
DOES NOT AUGUR WELL FOR FUTURE PROSPECTS OF SUPER APEX.
USG URGES POLAND RECONSIDER.

D. WE WILLING RESUME CONSULTATIONS ONLY IF POLES PRE-
PARED NEGOTIATE A LIBERAL CHARTER AGREEMENT. THERE WOULD
BE NO PURPOSE IN CONSULTING FURTHER IF POLES ARE ONLY
INTERESTED IN RESTRICTING CHARTERS. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
Copy: SINGLE
Sent Date: 07-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770455-0595
Format: TEL
From: STATE
Handling Restrictions: n/a
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